



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 28, 2015

Certified Return Receipt
7013 3020 0002 3659 6221

Justin Hubbs
Exchange Bank
Credit Administration
444 Aviation Boulevard
Santa Rosa, California 95403-1069

Subject: Non-Renewal of Letter of Credit # [REDACTED], Zamaroni Quarry, Inc., Antelope Valley Quarry, S/039/0016, San Pete County, Utah

Dear Mr. Hubbs:

On September 25, 2015, the Utah Division of Oil, Gas and Mining (Division) received your letter dated September 24, 2015, regarding non-renewal of Letter of Credit # [REDACTED] in the amount of \$18,600.00. The letter says you elect not to renew the letter of credit for an additional term and asks that the original letter of credit be returned to you.

The terms of the letter of credit state that you may choose not to renew it but that you must give the Division at least 90 days written notice of non-renewal. The Division will consider your letter as this notice and will, therefore, consider that the letter of credit will expire on December 24, 2015.

The mine operator, Zamaroni Quarry, Inc., is being advised that a replacement surety must be provided by November 24, 2015. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$18,600.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for the State of Utah to be used for reclamation of the Antelope Valley quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

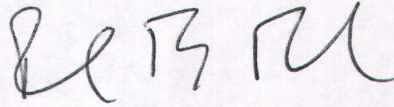
The Division is proceeding as if the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable.



Page 2 of 2
Justin Hubbs, Exchange Bank
S/039/0016
September 28, 2015

Thank you. If you have any questions, please feel free to call me at (801) 538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'PB' followed by a stylized flourish.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Copies of letter of credit and sight draft

Cc: Louie Zamaroni, Zamaroni Quarries

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